

**SENATE FISCAL AGENCY
MEMORANDUM**



DATE: December 7, 2005
TO: Members of the Senate
FROM: Gary S. Olson, Director
RE: Senate Bill 242 (Substitute S-2 as passed by the Senate)

Senate Bill 242 (S-2), a supplemental appropriation bill, was approved by the Senate on December 7, 2005. The bill contains supplemental appropriations for both FY 2004-05 and FY 2005-06. The bill appropriates \$0.8 million of Gross appropriations and zero of General Fund/General Purpose (GF/GP) appropriations in FY 2004-05 and \$8.7 million of Gross and \$1.2 million of GF/GP appropriations in FY 2005-06. The following information provides a summary of the appropriations in the bill.

FY 2004-05 Appropriations

Department of Civil Rights: The bill appropriates \$443,200 of Federal funds for departmental operations. These Federal funds have become available during the fiscal year.

Department of Natural Resources: The bill appropriates \$375,000 of State Restricted funds. The first appropriation is funding for a \$375,000 court settlement involving the State Parks. The second appropriation is a \$340,000 fund source shift in the payment in lieu of taxes program to 20 counties to replace a loss of revenue resulting from technical inconsistencies between the payment in lieu of taxes statute and the revenue sharing program.

FY 2005-06 Appropriations

Department of Community Health: The bill requires the Department to keep track of complaints made by individuals enrolled in the Medicare Part D program.

Department of Corrections: The bill inserts a language requirement on the enacted budget. The new boilerplate language requires the Department to enter into a lease for beds at the Michigan Youth Correctional Facility if excess State prison capacity is needed. These leased beds would have to be utilized before beds were expended at existing State prisons.

Higher Education: The bill appropriates \$500,000 of Gross and GF/GP appropriations for the Children of Veterans Tuition Grant Program. This program has been shifted by PA 248 of 2005 from the Military and Veterans Affairs budget to the Higher Education budget. This funding is needed to make the projected tuition grant payments to eligible children of disabled or deceased veterans during the winter of 2006.

Human Services: The bill makes four changes to existing Department of Human Services boilerplate contained in the enacted budget. The first change allocates \$75,000 from the total appropriation for domestic violence and prevention programs to Barry County. The second change authorizes the department to conduct pilot programs in selected counties regarding the funding caps on indigent burials. The third change repeals existing boilerplate concerning foster care placements. Current law allows the State to place children in a licensed out of state foster care facility located within 100 miles of the child's home, if no licensed facility within 100 miles of the child's home is located in Michigan. The change in language would allow out of state placements only if no placement is available anywhere in Michigan. The fourth change repeals existing boilerplate concerning the distribution of federal child support enforcement incentive payments. The change would require the State to place a priority on these payments to local friends of the court.

Legislature: The bill appropriates \$708,000 of Gross and GF/GP appropriations to the Legislature for two purposes. The first is \$500,000 to the Legislative Council for the purpose of hiring a private firm to evaluate the management, efficiency, and effectiveness of prisons in the Department of Corrections. The second is a \$208,000 appropriation to the Legislative Council for the beginning steps of a redistricting data project.

Natural Resources: The bill appropriates \$500,000 of State Restricted revenue from the Clean Michigan general obligation bond for the design and development of a water withdrawal assessment tool to be used by the groundwater conservation advisory council. This water withdrawal assessment tool will be used to help determine groundwater status, withdrawal rates, and replenishment rates across the State.

Treasury: The bill makes three appropriations to the Department. The first is a \$1.0 million appropriation from the 21st Century Jobs Fund for the Van Andel Institute to create a manufacturing facility for drugs to be used in clinical trials. This issue is the restoration of a \$1.0 million veto by the Governor in the tobacco securitization funding of economic development projects recently signed into law. The second is a \$5.0 million appropriation from the 21st Century Jobs Fund for the Agricultural Development Fund. This issue is a restoration of a \$5.0 million veto by the Governor in the tobacco securitization funding of economic development projects recently signed into law. The third is a \$1.0 million appropriation from the Convention Facility Development Fund to assist local government in providing security services surrounding the Super Bowl game to be held in Detroit on February 5, 2006.

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c: Ellen Jeffries, Deputy Director